

To the Members of the Select Board, Town Administrator, Director of Finance
Moultonborough Town Hall
Moultonborough, New Hampshire 03254

May 21, 2013

Per the ABC Charter, the Committee will conduct quarterly reviews of all School, Town and Library budgets. The ABC reviewed the First Quarter Year to Date Town Expenditure Report which represented the three months ended March 31, 2013. The report was prepared by the Town Finance Director.

The following is a list of questions submitted to the Town Administrator and Finance Director. Responses received from the Administration have been included below in ***Bold Italics***. The Committee has no further questions at this time.

All material operating budgets were either on or below budget. The Committee notes that Departmental Line Item Expenditures that have exceeded 25 % of budget have been explained by the Finance Director in her summary memo to the BOS. We would like to take this opportunity to thank the Finance Director for her continued efforts to improve the quality of the quarterly report.

Human Services, Property Services: As noted in the summary memorandum prepared by the Finance Director; Property Services are trending above budget due to increased rent subsidies. Do you believe that there are adequate funds budgeted to meet assistance requirements for the remainder of the year?

We are comfortable with the overall bottom line budgeting for the Human Services Department based upon a recent reduction in client load/rental by a count of one and a similar expected reduction in client load/rental in June.

Cobra Revenue: We note that approximately \$4,000 has been received in Cobra payments. It was our understanding that Cobra receipts and the related disbursements starting in 2013 would be accounted for similarly to the Rec Revolving Fund. The revised accounting treatment would remove the revenue and related expenditures from the normal operating budget. Has a separate bank account been established? Where are the expenditures offsetting the \$4000 currently being accounted for?

The Cobra Revenue line item includes payments made to us by the NHRS on behalf of retirees. There were no FY 2013 expenses to us. This January payment was the NHRS payment toward our December FY 2012 expense.

Recreation Revolving Fund: We would like to request a copy of the Rec Revolving Fund bank statement and reconciliation for December 31, 2012 and a similar statement and reconciliation for the period ended March 31, 2013. We would also like a copy of the final 2012 accounting for the expenditures and related revenues generated by the fund for the year 2012. We anticipate that we will be able to reconcile the balance in the fund as stated in the last annual report of \$204,186 as of December 31, 2011 with the current balance in the account at March 31, 2013. It is our further understanding that the net 2013 activity will not be deposited or withdrawn from the revolving fund until first quarter of 2014. Please confirm our understanding of the process.

The Rec Revolving fund documents are here for pick-up. We have not yet resolved how we will draw the funds from Rec Revolving to reimburse the general fund. I do not believe we will await one full year. I'd like to get that cash back into the general fund for interest and working capital sooner rather than later.

WMF Beach and Permit Income: WMF & Beach permit income is budgeted at \$80,000. We believe that the majority of the budget represents the biannual WMF stickers which were due to be renewed in January of 2013. Revenues received appear to be approximately \$19 K. We assume that by March 31 most WMF stickers have been purchased. We understand there will be some residual summer beach stickers to be purchased this quarter. What do you anticipate estimated revenues for these activities will be?

WMF Income: The first quarter is actually a very light sales period. We have only our year round people here at that time and we don't really start to clamp down until the mid - point of the quarter. The strongest sales are actually in June, July and August as our seasonal residents return. Sales as of the most recent posting are roughly \$32k. By way of illustration, this is roughly \$13k in 6 weeks as opposed to \$19k in all of Q1.

The ABC will review the Recreation Revolving information at its June 10 Meeting. The Committee has no additional outstanding concerns with the expenditure information as reported.

Sincerely,

Jean Beadle, Chair

Moultonborough Budget Advisory Committee

Jean M Beadle, ABC Chair

Alan Ballard

Betsey Patten

Barbara Sheppard (Library Trustee Representative)

Kathy Garry (School Board Representative)

Chris Shipp (Select Board Representative)